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STATE FOR EAP/MLS, DRL/IL
DEPT OF LABOR FOR ILAB--VIVITA ROZENBERGS AND JONA LAI

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SUBJECT: CAMBODIAN LABOR REACTION TO NEW LABOR MINISTER

11. (U) SUMMARY: Cambodia's newly appointed Minister of Labor and Vocational Training (MOLVT), Vorng Sotr (CPP), replaces Nhep Bunchin (FUNCINPEC), who was removed from office pending a corruption investigation. The few labor observers who know Vorng Sotr from his previous position as MOLVT Secretary of State working on child labor and trafficking speak highly of him, but for most union leaders, he is an unfamiliar figure whose appointment comes as a surprise. Despite the widespread belief that Nhep Bunchin's removal is more about power consolidation than anti-corruption concerns, most union leaders and labor observers are cautiously optimistic that a well-connected CPP minister will reinvigorate the moribund MOLVT. END SUMMARY.

FUNCINPEC's Nhep Bunchin Out, CPP's Vorng Sotr In

12. (U) On May 23, the National Assembly approved the nomination of Vorng Sotr, the son-in-law of National Assembly President Heng Samrin, who had been undersecretary of state for trafficking in children and child labor under the former Ministry of Social Affairs, Labor, Veterans, and Youth (MOSALVY) from 1998 to 2004. When MOSALVY split in July 2004, Sotr was transferred to the newly created MOLVT as secretary of state for child labor.

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13. (SBU) Former Labor Minister Nhep Bunchin (FUNCINPEC) was suspended on May 11 pending an on-going corruption investigation. According to Prime Minister Hun Sen's accusations, the former minister allowed local labor migration placement companies to charge Cambodian workers bound for South Korea USD 1,000 each, nominally for passport and visa services which should cost far less. Nhep Bunchin allegedly turned a blind eye to Cambodian migrant workers in Malaysia being sent to work in Saudi Arabia despite the lack of a Cambodia-Saudi Arabia labor agreement that would allow the practice. Nhep Bunchin, who is a US citizen, is reportedly visiting relatives in California.

ILO Child Labor Specialists Praise New Minister

14. (U) International Labor Organization--International Program to End Child Labor (ILO-IPEC) officers gave Vorng Sotr high marks for his work on child labor issues, though they noted that his efforts were frequently thwarted by the overall ineffectiveness of the MOLVT. Menacherry Paul Joseph, ILO-IPEC Chief Technical Advisor, said that Vorng Sotr had demonstrated an openness to new ideas and helped to

expedite approval of the ILO's action programs. Khleang Rim, ILO-IPEC National Project Coordinator, noted that the new minister is known for fostering good relations with his staff and for his approachability. Khleang Rim remarked that Vorng Sotr's background--growing up as part of a farming family, and serving as deputy governor in Kandal province, as well as two terms in the Ministry of Labor (MOSALVY and MOLVT)--has created a humble but experienced professional.

Unions and Labor Observers: Vorng Who?

15. (U) In contrast to the warm words from child labor specialists, most union leaders and international labor observers are unfamiliar with Vorng Sotr and were surprised by his appointment. Anne Horsley of the International Organization on Migration summed up the feelings of many when she described him as an "unknown quantity." Many were cautiously optimistic about the appointment's affect on the MOLVT, noting that under the leadership of Nhep Bunchin, the ministry was inactive and paralyzed by CPP-FUNCINPEC rivalries. A CPP leader, they hope, will be able to break the deadlock within the ministry and will have the ear of CPP leaders as well.

16. (U) It appears as if the only major union leader familiar with Vorng Sotr is Chuon Momthol, leader of the pro-government Cambodian Confederation of Trade Unions (CCTU) and advisor to Deputy Prime Minister Sar Kheng. Chuon Momthol described Vorng Sotr as hard-working and open-minded, someone who could deliver quick action on several stalled labor issues. Chuon Momthol echoed many criticisms pro-opposition unions and international labor observers have leveled against Nhep Bunchin during his nearly two years in office: no labor background, lacking a sense of direction, and not engaged on key issues like labor law revision.

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Unions and Labor Observers: Hun Sen Power Play

17. (SBU) Pro-opposition union leaders Rong Chhun, of the Cambodian Independent Teachers Association (CITA), and Chea Mony, of the Free Trade Union (FTU), criticized Vorng Sotr's rise as part of Prime Minister Hun Sen's recent consolidation of power. Both leaders agreed that the MOLVT was ineffective and were unsurprised by allegations of corruption, but, they pointed out, many government ministries are ineffective and corrupt. Nhep Bunchin was removed not because he was the most egregious offender, but because he was FUNCINPEC, they asserted. Most international labor observers agreed with this assessment, seeing Nhep Bunchin's removal as motivated more by politics than by a genuine concern for battling corruption or helping workers. Nonetheless, they hope that a more active and functional MOLVT could be the silver lining for this cloud.

Key Issues for the New Labor Minister

18. (SBU) Vorng Sotr inherits a poorly functioning MOLVT that has been paralyzed by lack of leadership and inter-ministerial political divisions since the labor component split from the former Ministry of Social Affairs, Labor, Veterans, and Youth in July 2004. Among the most critical labor issues facing him are:

--Threatened General Strike: Pro-opposition leaders Rong Chhun and Chea Mony have threatened to lead a general strike if their demands for higher wages, lower gasoline prices, and shorter working hours are not met. Garment manufacturers, rival union leaders, and international observers doubt that a large-scale strike will come to pass--either the government will step in to make some compromises or the unions will not be able to gain the support of other unions needed to truly

make this action a general strike.

--Stalled Labor Law Review Process: The current labor law, passed in 1997, is vague and contradictory and was written without the input of unions, which did not exist at the time.

Key areas of contention are expanding the scope of the law to include civil servants, informal sector employees, domestic workers, and migrant workers; working hours and premium pay; job protections afforded to workers' representatives; and Arbitration Council jurisdiction over individual disputes. The new law remains in the discussion stage.

--Labor Advisory Committee: This critical tripartite committee is responsible for approving sub-decrees (prakas) governing all aspects of labor affairs, from minimum wages to defining hazardous and light work in the context of child labor. The committee has not met since the MOLVT/MOSAVY split in July 2004, though several unions on the committee have been pushing for the committee to resume its work.

Comment

19. (SBU) Since March, the Prime Minister has removed at least 76 high-ranking FUNCINPEC officials from office, and Nhep Bunchin appears to be the latest victim of his housecleaning spree. The move consolidates Hun Sen's power not by removing a dynamic FUNCINPEC leader actively pursuing an agenda opposed to the Prime Minister's interests, but rather by clearing out the deadwood blocking CPP from full access to the Labor Ministry. From a purely labor perspective, the change in leadership is probably a positive development. Hopefully with a well-connected CPP minister at the helm, the Ministry of Labor and Vocational Training will begin tackling some of the difficult issues that it has all but ignored in the past.

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